Notes based upon the new coins were offered by the government for gold, and in September, 1906, tenders of gold began in considerable amounts. The ordinance of January, 1906, prescribed that the future profit on the minting of Straits dollars should be carried to a separate gold-reserve fund, and a run for silver, in case it rose above the legal parity, was guarded against by an ordinance of October 22, 1906, compelling the holder of notes to accept gold at the option of the government instead of silver. An order of the same date accepted the policy already adopted in the Philippines, by authorizing the Governor to reduce the fineness of the silver coins from nine-tenths to eight-tenths.[1]

In Hong-kong the introduction of the gold standard has been much discussed, but generally upon the basis of its introduction in China. The unsuccessful efforts made early in the history of the Colony to introduce the British monetary system taught the lesson that it was not feasible to maintain a system different from that of the great country of which Hong-kong was geographically a part.[a] Even the effort to coin a distinctive British dollar was not successful in 1865, but the experiment which was renewed in 1895, when Mexican dollars had become scarce and the Indian mints were idle, gave better results. By the close of the fiscal year 1903 the new dollars had been coined to the amount of $151,361,594, and had found their way into all parts of the Orient remaining on the silver basis, where the Mexican dollar still circulated.[3]

Banking in China.

China has been slow in adopting European methods of banking, but possessed paper currency before it was known in any other part of the world. Silk rolls and cowries were

Kemmerer, *Political Science Quarterly,* December, 1906, XXI.,
671-77.

[1] *Report of the Director of the* (£7.5.) *Mint* 1907, 199-201.

[2] Chalmers recounts some of tbese earlier failures—A History of
Currency in the British Colonies, 374.

[3] *Cf.* Andrew, *Quarterly Journal of Economics,* May, 1904, XVIIL,
340.